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September 1, 2009

Janet Lunceford
City of Bremerton
345 6th St., Suite 600
Bremerton, WA 98337

RECEIVED
City of Bremerton

SEP - 2 2009

Department of
Community Development

RE: SESKO TANKS ASSESSMENT

Dear Janet:

The Kitsap County Health District (Health District) is writing to relay the results of our inspection of the two large tanks on the beach at the north end of Thompson Drive in Bremerton, WA.

Health District staff inspected the tanks this morning. Staff used a photo ionization detector (PID) to check for combustible gases. Three areas on each tank were checked with the PID. These were the pipe openings at the base of each end of the tanks and an open hatch on the top of each tank. No combustible gases were detected. In addition, there was no odor of petroleum products in the area of the tanks.

A visual inspection was conducted for any signs of asbestos. The exterior of the tanks were all metal, with a concrete patch on one of the tanks. The interior of the tanks were checked with a flashlight from the open ports on top of the tanks. No sign of asbestos containing material were seen. The interior appeared to be metal only.

If you have any questions please feel free to contact me at (360) 337-5605.

Sincerely,

A handwritten signature in black ink, appearing to read 'Grant A. Holdcroft'.

Grant A. Holdcroft, R.S.
Environmental Health Specialist
Solid and Hazardous Waste Program

gah/complaints/sesko tanks

BREMERTON-015184

McConkey/Sesko Property Development & Remediation Strategy Site Visit and Project Scoping Meeting Agenda

Location: Art Anderson Associates & 1725 Pennsylvania Avenue
Date: April 12, 2005
Attendance: City Of Bremerton, Art Anderson Associates, and Washington Department of Ecology

1. What has happened so far?
 - a. 31 January Meeting on site - Roger Waid (KCCHA), Norm McLoughlin (KCCHA), Steve Anderson (KCCHA), Trip McConkey, Diane Robinson (City Council), Mike Shepherd (City Council) and Patrick Vasicek (Art Anderson Associates).
 - b. Patrick Vasicek conducted research with Department of Ecology (both Bellevue & Olympia)
2. Decision documents developed:
 - a. Analysis of three most likely cleanup options (Attachment 1)
 - b. Cost Analysis & Comparison of the three options (Attachment 2)
 - c. Draft schedule – option 3 (attachment 3)
 - d. Draft Scope of Work – AE services (attachment 4)
3. Follow-on events:
 - a. Meeting between Patrick Vasicek, Phil Williams (City – Public Works Director) and Janet Lunceford (DCD Code Compliance) on 23 February 2005 – outcome – City has agreed to try to find a fund source to get the project started – they have asked if McConkey's will agree to share in funding initial effort.
 - b. Follow-on meetings & discussions with McConkey's indicate that they want to be a responsible landowner, but they are very nervous about putting their toe in the water by themselves.
 - c. AAA needs a contract to start gathering historical information regarding the site – need to interview people with knowledge & pictures of the site during operation of the plant. Paul McConkey will be invaluable in this preliminary assessment effort.
4. Funding sources available:
 - a. Cleanup - Remediation Grant from Department of Ecology (City of Bremerton)
 - b. Cleanup & Mitigation - Derelict Boat Grants from DNR (City of Bremerton)
 - c. Cleanup - Insurance policies (pre-1980 policies often cover these kind of liabilities)
 - d. Cleanup, Mitigation & Development - Low-interest loans – KCCHA
 - e. Cleanup - Payments/insurance from other responsible parties (Sesko's, Cascade Gas)
5. Agencies & Entities involved:
 - a. City of Bremerton
 - b. Department of Ecology
 - c. Kitsap County Consolidated Housing Authority
 - d. Mrs. Sesko
 - e. Other previous landowners
 - f. Cascade Natural Gas
 - g. Other state permitting agencies (environmental permitting for construction)
6. Why this strategy will work?
 - a. Patrick Vasicek initiated, developed and executed the Navy's cleanup program in the Northwest
 - b. DOE has a clear predisposition to stimulate Brownfield development using an innovative approach at this site.
 - c. KCCHA has agreed to stimulate development with low-interest loans.
 - d. Fish & Wildlife, DNR and everyone else want the sites cleaned up & boats removed.

- e. Overall Development/Cleanup Project could possibly be self-mitigating (i.e. boat removal & beach restoration serve as credits to allow for marina development.)
 - f. The City of Bremerton is excited about the possibility of moving this site forward and is working to try act as a stimulus (with very limited funding) to get it moving.
 - g. Diane Robinson, City Council person for this sector of the city, strongly supports the project
 - h. All the PLP's will win in that remediation will be expedited and costs minimized – focus is to drive the development of the marina and marine industrial businesses to become a major component of the cleanup (cap, phyto-remediation, etc.)
7. Next Steps
- a. Get consensus on a goal to which all the parties can agreed – it would be great if this was the finish line, but an intermediate goal to get us started is fine also.
 - b. Resolve Sesko property conundrum
 - c. Draft & negotiate an Agreed Order.

McConkey/SESKO Property Remediation/Development Alternatives

<p>Option 1 - City Assumes Ownership of both properties and conducts conventional cleanup – with remediation grants</p> <p>Negotiate Potentially Liable Party settlement – Agreed or Enforcement Order - \$100,000</p> <p>Remedial Investigation - Feasibility Study (RI/FS) – Includes DOE oversight - \$400,000</p> <p>Cleanup Action Plan (Design) – Includes DOE oversight - \$100,000</p> <p>Coordinate Derelict Boat Grant & Remove/recycle Vessels (6) – 1 * 30,000 + 5 * 3,000 = \$45,000</p> <p>Demolish/remove Site improvements & Conduct Invasive Cleanup (Soil removal/extraction process) - \$1,500,000</p> <p>Conduct Beach mitigation (Fish Mix) - \$100,000</p>	<p>Option 2 - Option 1 using site cap (non-invasive cleanup) – with remediation grants</p> <p>Negotiate Potentially Liable Party settlement – Agreed or Enforcement Order - \$100,000</p> <p>Focused Site Characterization- Feasibility Study, Includes DOE oversight - \$140,000</p> <p>Cleanup Action Plan (Design) – Includes Department of Ecology (DOE) oversight - \$50,000</p> <p>Coordinate Derelict Boat Grant & Remove/recycle Vessels (6) – 1 * 30,000 + 5 * 3,000 = \$45,000</p> <p>Limited Source Removal Demolish/Recycle Site Improvements and install Cap – assumes recreational use - \$800,000</p> <p>Conduct Beach mitigation (Fish Mix) - \$100,000</p>	<p>Option 3 - McConkey, as ultimate owner of both sites conducts option 2 cleanup.</p> <p>Negotiate Potentially Liable Party settlement – Agreed Order - \$45,000</p> <p>Focused Site Characterization - Feasibility Study, Includes DOE oversight - \$140,000</p> <p>Cleanup Action Plan (Design) – Includes DOE oversight - \$50,000</p> <p>Improvement Design/Permitting (Marina & Bldgs) - \$400,000</p> <p>Develop mitigation scheme & Coordinate Derelict Boat Grant – connect to Derelict Boat Removal - \$8,000</p> <p>Remove/recycle Vessels (6) – 1 * 30,000 + 5 * 3,000 = \$45,000</p> <p>Limited Source Removal + Cost “Delta” to make A/C paving for parking lots and boat ramp = CAP – \$150,000</p> <p>McConkey obtains loans and develops site (includes beach mitigation – self mitigating project) - \$?</p>
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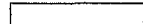
Financial Liability Comparisons			
McConkey/SESKO Properties - Remediation/ Development Alternatives			
	Option 1 - City Buys McConkey Property (0.75 Acre) - Invasive Cleanup	Option 2 - City Buys McConkey Property (0.75 Acre) - Non- invasive Cleanup	Option 3 - McConkey Buys or leases SESKO Property (0.5 acre) - Non-invasive Cleanup
Total Cleanup Costs (Includes SC/FS Costs)	\$2,200,000	\$1,190,000	\$385,000
McConkey cost allocation - 10%	\$220,000	\$119,000	\$38,500
City cost allocation - 10%	\$220,000	\$119,000	\$38,500
Cascade cost allocation - 80%	\$1,760,000	\$952,000	\$308,000
McConkey Detail:			
McConkey - Cleanup Costs (above)	\$220,000	\$119,000	\$38,500
McConkey Costs to purchase or lease SESKO Property from City (offer made = \$37,500)	NA	NA	\$37,500
McConkey property sale to City (0.75 acre @ \$110,000/ acre)	\$82,500	\$82,500	NA
Subtotal Costs to McConkey (Cleanup costs + SESKO property purchase - McConkey Property sale where applicable)	\$137,500	\$36,500	\$76,000
City Cost Detail:			
City - Cost for remediation (above)	\$220,000	\$119,000	\$38,500
City - Cost for Boat Removal	\$45,000	\$45,000	\$45,000
Subtotal Costs to City (remediation + Boat Removal - income from SESKO property sale and + cost to buy McConkey Property where applicable)	\$347,500	\$246,500	\$46,000
City Grant Detail:			
City - Remediation Grants (at 75% of City's Cost)	\$165,000	\$89,250	\$28,875
City - Boat Removal Grants (at 75% of City's cost)	\$37,500	\$37,500	\$37,500
Subtotal City Grants	\$202,500	\$126,750	\$66,375
Summary			
Net Costs to McConkey	\$137,500	\$36,500	\$76,000
Net Cost to City with Grants at 75% of City's Cost	\$145,000	\$119,750	-\$20,375
Net Costs to Cascade (above)	\$1,760,000	\$952,000	\$308,000
Total Time for Cleanup Required	5 years Min	4 years Min	2 years Max
Note: City of Bremerton can get remediation grants increased to 75% if area can be shown to be depressed. Also: City may be required to pay back to DOE any net profit in relation to Remediation grant.			

McConkey/SESKO - Option 3 - Property Development and Cleanup ----- Attachment 3

ID	Item	Task Name	Duration	Start	Finish	Preced	Resource N	2005												2006												2007	
								Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
1	1	Startup process	52 days	Mon 1/31/05	Tue 4/12/05																												
2		Initial Meeting -City Council/Trip McConkey/AAA	1 day	Mon 1/31/05	Mon 1/31/05																												
3		Follow-up Meeting Phil Williams	1 day	Wed 2/23/05	Wed 2/23/05																												
4		Follow-up Meeting Trip McConkey	1 day	Mon 2/28/05	Mon 2/28/05																												
5		Initial Meeting DOE/City	1 day	Tue 4/12/05	Tue 4/12/05																												
6		Assess Action - Sesko Property	30 days	Wed 4/13/05	Tue 5/24/05																												
7		Determine if cleanup possible prior to foreclosure	7 days	Wed 4/13/05	Thu 4/21/05	5																											
8		Complete foreclosure	30 days	Wed 4/13/05	Tue 5/24/05	5																											
9		Initial Stakeholder meetings	17 days	Fri 4/22/05	Mon 5/16/05																												
10		Award Initial Contract to AAA	1 day	Fri 4/22/05	Fri 4/22/05	7	\$25K																										
11		Meeting with all PLP's	1 day	Mon 4/25/05	Mon 4/25/05	10																											
12		Draft Agreed Order	15 days	Tue 4/26/05	Mon 5/16/05	11																											
13		Conduct Focused SC/FS	211 days	Mon 1/31/05	Mon 11/21/05																												
14	1	Stakeholder Consensus	45 days	Tue 5/17/05	Mon 7/18/05																												
15		Characterization Scoping Meeting	1 day	Tue 5/17/05	Tue 5/17/05	12																											
16		Negotiate & Obtain Review Fees for DOE	7 days	Wed 5/18/05	Thu 5/26/05	15	\$20K																										
17		Discussions w/ PLPs	20 days	Fri 5/27/05	Thu 6/23/05	16,22																											
18		Draft Agreed Order	10 days	Fri 6/24/05	Thu 7/7/05	17																											
19		Execute Agreed Order	7 days	Fri 7/8/05	Mon 7/18/05	18																											
20	2	Develop SC/FS Scope & obtain Grant	101 days	Mon 1/31/05	Mon 6/20/05		\$40K																										
21		Preliminary Assessment	7 days	Mon 4/25/05	Tue 5/3/05	10																											
22		Develop Site Conceptual Model	7 days	Wed 5/4/05	Thu 5/12/05	21																											
23		Develop SC Scoping Documents	20 days	Fri 5/13/05	Thu 6/9/05	22																											
24		Develop Remediation Grant Package & Execu	7 days	Mon 1/31/05	Tue 2/8/05																												
25		Establish CAG & Newsletter	7 days	Fri 6/10/05	Mon 6/20/05	23																											
26	3	Conduct SC/FS	110 days	Tue 6/21/05	Mon 11/21/05		\$200K																										
27		Award & Oversee SC Contract	90 days	Tue 6/21/05	Mon 10/24/05	25																											
28		Develop & Evaluate Alternatives	20 days	Tue 10/25/05	Mon 11/21/05	27																											
29	4	Obtain Stakeholder Consensus	22 days	Tue 11/22/05	Wed 12/21/05		\$25K																										
30		Kickoff meeting	1 day	Tue 11/22/05	Tue 11/22/05	28																											
31		Develop preferred Alternative	14 days	Wed 11/23/05	Mon 12/12/05	30																											
32		Meetings to Refine/Agree	7 days	Tue 12/13/05	Wed 12/21/05	31																											
33	5	Derelict Boat Removal	26 days	Thu 12/22/05	Thu 1/26/06		\$8K																										
34		Develop Boat Removal Grant Package	5 days	Thu 12/22/05	Wed 12/28/05	32																											
35		City Process Derelict Boat Grant	7 days	Thu 12/29/05	Fri 1/6/06	34																											
36		Award Boat Removal/Recycling Contract	7 days	Mon 1/9/06	Tue 1/17/06	35																											
37		Boats removed (Note: Banked Mitigation)	7 days	Wed 1/18/06	Thu 1/26/06	36																											
38		McConkey Purchase of SESKO Property	28 days	Wed 1/18/06	Fri 2/24/06																												
39		Obtain loan	14 days	Wed 1/18/06	Mon 2/6/06	36																											
40		Complete Purchase	14 days	Tue 2/7/06	Fri 2/24/06	39																											
41		McConkey Obtains Construction Loan	21 days	Tue 2/7/06	Tue 3/7/06																												

Project: McConkey-SESKO New
Date: Mon 4/11/05

Task



Progress



Summary



External Tasks



Deadline



Split



Milestone



Project Summary



External Milestone



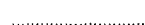
McConkey/SESKO - Option 3 - Property Development and Cleanup ---- Attachment 3

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								Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
42		Initiate Loan discussions	1 day	Tue 2/7/06	Tue 2/7/06	39																											
43		Obtain loan (~\$3,000,000)	20 days	Wed 2/8/06	Tue 3/7/06	42																											
44		Remediation/Const. Design Contract	112 days	Wed 3/8/06	Thu 8/10/06		\$400K																										
45		Scope written	5 days	Wed 3/8/06	Tue 3/14/06	43																											
46		Contract negotiated	5 days	Wed 3/15/06	Tue 3/21/06	45																											
47		Award	2 days	Wed 3/22/06	Thu 3/23/06	46																											
48		Site Cap Design	68 days	Fri 3/24/06	Tue 6/27/06																												
49		Topographic/hydrographic surveys	10 days	Fri 3/24/06	Thu 4/6/06	47																											
50		Soil Borings & Soils report	20 days	Fri 3/24/06	Thu 4/20/06	47																											
51		Establish road/parking lot/boat ramp concepts	14 days	Fri 4/21/06	Wed 5/10/06	50																											
52		Complete building site plans/foundation criteri	7 days	Fri 4/21/06	Mon 5/1/06	49,50																											
53		Establish grade elevations/profiles	4 days	Thu 5/11/06	Tue 5/16/06	51,49																											
54		Develop drainage/treatment plan	5 days	Wed 5/17/06	Tue 5/23/06	53																											
55		Develop pavement/subgrade criteria	2 days	Thu 5/11/06	Fri 5/12/06	51,52																											
56		Design drawings & Cleanup Action Plan	30 days	Wed 5/17/06	Tue 6/27/06	55,52,1																											
57		Landslide Improvement design	37 days	Tue 5/2/06	Wed 6/21/06																												
58		Utility plan	14 days	Tue 5/2/06	Fri 5/19/06	49,50,1																											
59		Architectural concepts	7 days	Tue 5/2/06	Wed 5/10/06	52																											
60		Design drawings	30 days	Thu 5/11/06	Wed 6/21/06	59																											
61		Waterside Improvement design	37 days	Fri 4/7/06	Mon 5/29/06																												
62		Utility plan	14 days	Fri 4/7/06	Wed 4/26/06	49																											
63		Piling/Anchoring Design	7 days	Fri 4/7/06	Mon 4/17/06	49																											
64		Architectural concepts	7 days	Fri 4/7/06	Mon 4/17/06	49																											
65		Design drawings	30 days	Tue 4/18/06	Mon 5/29/06	64																											
66		Environmental permitting	100 days	Fri 3/24/06	Thu 8/10/06		\$100K																										
67		Interagency Meeting	1 day	Fri 3/24/06	Fri 3/24/06	47																											
68		JARPA Drawings	14 days	Tue 5/30/06	Fri 6/16/06	67,65,1																											
69		BA/ESA Consultation	30 days	Fri 4/7/06	Thu 5/18/06	49																											
70		SSD	20 days	Fri 5/19/06	Thu 6/15/06	69																											
71		SEPA/CAP Public Meetings	20 days	Fri 6/16/06	Thu 7/13/06	70																											
72		SEPA (includes CAP)	40 days	Fri 6/16/06	Thu 8/10/06	70																											
73		IP - ACOE	20 days	Mon 6/19/06	Fri 7/14/06	69,68																											
74		HPA	14 days	Fri 6/16/06	Wed 7/5/06	70,37																											
75		Construction Contract	164 days	Wed 6/28/06	Mon 2/12/07		\$30K																										
76		Completed design drawings	7 days	Wed 6/28/06	Thu 7/6/06	56,60,1																											
77		Site master plan & Building permits	30 days	Fri 7/7/06	Thu 8/17/06	76																											
78		Contract negotiated	5 days	Fri 8/18/06	Thu 8/24/06	66,77																											
79		Award	2 days	Fri 8/25/06	Mon 8/28/06	78																											
80		Construction period	120 days	Tue 8/29/06	Mon 2/12/07	79																											
81		Construction Complete	0 days	Mon 2/12/07	Mon 2/12/07	80																											

Project: McConkey-SESKO New
Date: Mon 4/11/05

Task

Split



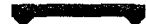
Progress

Milestone



Summary

Project Summary



External Tasks

External Milestone



Deadline

